

two commissioners with supervisory powers and to ratify the nominations of governor and deputy governors made by the council. The term of the governor, first fixed at ten years, was ultimately made five years. The chief office of the bank is at Cairo, with a principal branch at Alexandria and agencies throughout Egypt.

The National Bank acted from the first as banker for the Egyptian Government, but in 1907 a closer relation was proposed by which the bank should increase its capital by £500,000 and hold the government funds as a matter of right. The conduct of the bank in obtaining the necessary funds to handle the big cotton crops of 1906, in the face of monetary stringency in Europe, caused much gratification in Egypt. A severe crisis due to the abuse of credit and the issue of new securities broke out in 1907, however, considerably in advance of the crisis in America. The attempt of the bourse committee to fix minimum prices for securities was naturally abortive, but had the tendency to relieve the market to some degree by the exodus of securities to Europe.¹ The necessity of a more concentrated control of the market and of greater freedom of note issue were among the influences which led to proposals for a more direct share of the government in the National Bank, but as finally presented to the shareholders in the summer of 1908, the degree of government control did not go as far as was first proposed.² The Bank of Egypt participated in the creation of a bank in Abyssinia in 1907.*

The difficulties of the bank were enhanced in Egypt in periods of pressure by the fact that paper currency was almost unknown and that it was necessary to meet demands

Europ&en, June 28, 1907, XXXI., 812.

^s According to an authorized statement in the *Egyptian Gazette*, it was first intended to give to the government a large share in the bank's affairs, but under the arrangement finally proposed the government agreed to use the bank as long as satisfied with its administration, reserving the right to give notice of withdrawal if it became dissatisfied.—London *Economist* March 28, 1908, LXYL, 673.

^sU. S. Consular Reports, April 19, 1907,